UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101-3188

ENFORCEMENT &
COMPLIANCE ASSURANCE
DIVISION

Reply to: 20-C04

RETURN RECEIPT REQUESTED

Mr. Richard Brown
Managing Member
Snake River Oil and Gas, LLC
P.O. Box 500
Magnolia, Arkansas 71753

Mr. Chris Weiser
Registered Agent
Idaho Midstream, LLC
117 East Calhoun
Magnolia, Arkansas 71753

Re: Notice and Finding of Violation
Snake River Oil and Gas, LLC and Idaho Midstream, LLC

Dear Mr. Brown and Mr. Weiser:

The U.S. Environmental Protection Agency (EPA) is issuing the enclosed Notice and Finding of Violation (NOV/FOV) to Snake River Oil and Gas, LLC and Idaho Midstream, LLC (collectively "you") under Section 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (3). We find that you are violating certain permits issued under the Idaho State Implementation Plan (SIP) and the Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution for which Construction, Modification or Reconstruction Commenced After August 23, 2011, found in 40 C.F.R. Part 60, Subpart OOOO, as well as the Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After September 18, 2015, Subpart OOOOa, at the Little Willow Road Gathering Station located at 4649 Little Willow Road, New Plymouth, Idaho, and the Northwest Gas Processing Facility located at 4303 Highway 30 South, New Plymouth, Idaho.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent

future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent with you at this conference.

The EPA contact in this matter is Victoria Nelson. You may contact Ms. Nelson at (312) 886-9481 or nelson.victoria@epa.gov, to request a conference. If you choose to have an attorney request a conference on your behalf, your attorney may contact Robert Peachey in EPA's Office of Regional Counsel at (312) 353-4510 or peachey.robert@epa.gov. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

LAURIS DAVIES

Digitally signed by LAURIS DAVIES
Date: 2020.05.20 09:55:15 -07'00'

Lauris C. Davies
Acting Director

Enclosure

cc: Mr. Wally Evans
Idaho Department of Environmental Quality

Mr. Jim Werntz
Environmental Protection Agency

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

IN THE MATTER OF:	)	
	)	
Snake River Oil and Gas, LLC Magnolia, Arkansas	))	**NOTICE AND FINDING OF VIOLATION**
	)	
Idaho Midstream, LLC Magnolia, Arkansas	))	
	)	
Proceedings Pursuant to Section 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (3)	)))	

NOTICE AND FINDING OF VIOLATION

The U.S. Environmental Protection Agency ("EPA") is issuing this Notice and Finding of Violation ("NOV/FOV") under Section 113(a)(1) and (3) of the Clean Air Act ("CAA"), 42 U.S.C. § 7413(a)(1) and (3). Based on available information and as explained below, EPA finds that Snake River Oil and Gas, LLC and Idaho Midstream, LLC (collectively "you") are violating certain permits issued under the Idaho State Implementation Plan ("SIP"), as well as Section 111(e) of the CAA, 42 U.S.C. § 7411(e), specifically the Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution for which Construction, Modification, or Reconstruction Commenced After August 23, 2011 found in 40 C.F.R. Part 60, Subpart OOOO ("Subpart OOOO"); and the Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification, or Reconstruction Commenced After September 18, 2015 found in 40 C.F.R. Part 60, Subpart OOOOa ("Subpart OOOOa"), as follows:

Statutory and Regulatory Authority

1. The CAA is designed to, among other things, protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population. *See* Section 101(b)(1) of the CAA, 42 U.S.C. § 7401(b)(1).

The Idaho SIP

2. Pursuant to Section 110(a)(1) of the CAA, 42 U.S.C. § 7410(a)(1), each state is responsible for adopting and submitting to EPA for approval an implementation plan that provides for the implementation, maintenance, and enforcement of National Ambient Air Quality Standards ("NAAQS") for particular pollutants, including ground-level ozone.

3. Under Section 110(a)(2) of the CAA, 42 U.S.C. § 7410(a)(2), each SIP must include enforceable emissions limitations and other control measures, means, or techniques, as well as schedule for compliance, as may be necessary to meet applicable requirements, and must include a permit program to provide for the enforcement of these limitations, measures, and schedule as necessary to assure the NAAQS are achieved. Upon EPA's approval of a SIP, the plans become independently

enforceable by the federal government, as stated under Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1).

4. EPA has approved various provisions of the Idaho Administrative Procedures Act ("IDAPA") as part of the Idaho SIP, including IDAPA § 58.01.01.200 through 222. *See* 40 C.F.R. § 52.670(c).

The New Source Performance Standards and NSPS Subpart OOOO

5. Section 111 of the CAA, 42 U.S.C. § 7411, requires EPA to implement a New Source Performance Standards ("NSPS") program for the control of air pollutant emissions. NSPS regulations impose nationally uniform emission standards for new or modified stationary sources falling within industrial categories that significantly contribute to air pollution.

6. In 2012, EPA promulgated NSPS regulations for the crude oil and natural gas production, transmission, and distribution industry sector, which were codified at Subpart OOOO. 77 Fed Reg. 49,542 (Aug. 16, 2012). EPA has reconsidered and revised certain provisions of Subpart OOOO. *See, e.g.,* 78 Fed Reg. 58,416 (Sept. 23, 2013) and 79 Fed Reg. 79,037 (Dec. 31, 2014).

7. Subpart OOOO establishes emission standards for the control of volatile organic compounds ("VOC") and sulfur dioxide emissions from various types of oil and natural gas production, processing, transmission, storage, and distribution equipment constructed, modified, or reconstructed after August 23, 2011, and on or before September 18, 2015, including storage vessels.

8. Subpart OOOO, at 40 C.F.R. § 60.5430, defines "storage vessel" as a tank or other vessel that contains an accumulation of crude oil, condensate, intermediate hydrocarbon liquids, or produced water, and that is constructed primarily of non-earthen materials (such as wood, concrete, steel, fiberglass, or plastic) which provide structural support.

9. Among other things, Subpart OOOO addresses two classes of storage vessels: (i) those that began to be constructed, reconstructed or modified after August 23, 2011, and on or before April 12, 2013 (called "Group 1 storage vessels"); and (ii) those that began to be constructed, reconstructed or modified after April 12, 2013, and on or before September 18, 2015 (called "Group 2 storage vessels"). 40 C.F.R. § 60.5430.

10. A Group 1 or Group 2 storage vessel is an affected facility subject to Subpart OOOO requirements if a properly performed emission determination indicates that the storage vessel has the potential for VOC emissions equal to or greater than six (6) tons per year. 40 C.F.R. § 60.5365(e). A storage vessel meeting these criteria is defined as a "storage vessel affected facility."

11. A storage vessel affected facility that subsequently has its potential for VOC emissions decrease to less than six (6) tons per year shall remain an affected facility under Subpart OOOO. 40 C.F.R. § 60.5365(e)(2).

12. The potential for VOC emissions from a storage vessel must be calculated using a generally accepted model or calculation methodology, based on the maximum average daily throughput determined for a 30-day period of production prior to the applicable emission determination deadline specified in 40 C.F.R. § 60.5365. For Group 1 storage vessels, the applicable emission determination deadline was October 15, 2013. For Group 2 storage vessels, the applicable emission determination

deadline was April 15, 2014, or 30 days after startup (whichever was later). 40 C.F.R. §§ 60.5365(e), 60.5410(h)(1).

13. In calculating the potential VOC emissions from a storage vessel, the determination may take into account requirements under a legally and practically enforceable limit in an operating permit or other requirement established under a Federal, State, local or tribal authority. *See* 40 C.F.R. § 60.5365(e).

14. Subpart OOOO requires the owner/operator of a storage vessel affected facility to comply with certain emission control requirements:

a. The owner/operator of a storage vessel affected facility must either: (i) reduce VOC emissions from the storage vessel by 95.0 percent; or (ii) maintain the uncontrolled actual VOC emissions from the storage vessel at less than four (4) tons per year without considering control. *See* 40 C.F.R. § 60.5395(d)(1)-(2).

b. For a storage vessel subject to the 95.0 percent emission reduction requirement, the required emission reduction must be achieved by control requirements that include equipping the storage vessel with a cover that meets the requirements of 40 C.F.R. § 60.5411(b), connecting the storage vessel to a closed vent system that meets the requirements of 40 C.F.R. § 60.5411(c), and either: (i) routing the storage vessel vapors to a control device (such as an enclosed combustor) that meets certain requirements; or (ii) routing the storage vessel vapors to a process. 40 C.F.R. § 60.5395(e).

15. Subpart OOOO, at 40 C.F.R. § 60.5412(d), requires that each control device used to meet the emission reduction standard in 40 C.F.R. § 60.5395(d) for storage vessel affected facilities must be installed according to 40 C.F.R. § 60.5395(d)(1) through (3), as applicable. As an alternative to 40 C.F.R. § 60.5395(d)(1), owners/operators of storage vessel affected facilities may install a control device model tested under 40 C.F.R. § 60.5413(d), which meets the criteria in 40 C.F.R. § 60.5413(d)(11) and § 60.5413(e).

16. Subpart OOOO, at 40 C.F.R. § 60.5412(d)(1)(ii), requires that, for each enclosed combustion device, owners/operators must install and operate a continuous burning pilot flame.

17. Subpart OOOO, at 40 C.F.R. § 60.5413(e), requires that owners/operators of combustion control devices tested by the manufacturer demonstrate that the control device achieves the performance requirements in 40 C.F.R. § 60.5413(d)(11) by installing a device tested under 40 C.F.R. § 60.5413(d) and complying with the criteria specified in 40 C.F.R. § 60.5413(e)(1) through (7).

18. Subpart OOOO, at 40 C.F.R. § 60.5413(e)(2), requires that a pilot flame on the combustion control device must be present at all times of operation.

19. Subpart OOOO requires the owner/operator of a storage vessel affected facility to comply with additional monitoring and recordkeeping requirements:

a. If vapors from a storage vessel affected facility are routed to a control device or a process, Subpart OOOO requires monthly olfactory, visual, and auditory inspections to

identify defects in the storage vessel cover and closed vent system that could result in air emissions. *See* 40 C.F.R. § 60.5416(c)(1)-(2).

b. Subpart OOOO also requires that the owner/operator maintain records of the results of these inspections. *See* 40 C.F.R. §§ 60.5416(c)(1)-(2), 60.5420(c)(6)-(7).

20. For a storage vessel not subject to a legally and practically enforceable limit on its potential for VOC emissions, the Subpart OOOO emission determination may exclude vapor from the storage vessel that is recovered and routed to a process through a vapor recovery unit designed and operated as specified in Subpart OOOO provided that: (i) the storage vessel meets the cover requirements specified in 40 C.F.R. § 60.5411(b); (ii) the storage vessel meets the closed vent system requirements specified in 40 C.F.R. § 60.5411(c); and (iii) the owner or operator of the storage vessel maintains records that document compliance with the cover requirements specified in 40 C.F.R. § 60.5411(b) and the closed vent system requirements specified in 40 C.F.R. § 60.5411(c) for the storage vessel. *See* 40 C.F.R. § 60.5365(e)(3).

21. If the original emission determination for a storage vessel excluded storage vessel vapor that would be recovered and routed to a process through a vapor recovery unit, the owner or operator must make a new emission determination calculating the storage vessel's potential for VOC emissions within 30 days if: (i) the storage vessel is operated without meeting the cover requirements specified in 40 C.F.R. § 60.5411(b); (ii) the storage vessel is operated without meeting the closed vent system requirements specified in 40 C.F.R. § 60.5411(c); or (iii) the vapor recovery unit is removed. *See* 40 C.F.R. § 60.5365(e)(3)(iv).

22. The cover requirements at 40 C.F.R. § 60.5411(b) require that covers on storage vessels meet certain requirements, including that the cover and all openings on the cover shall form a continuous impermeable barrier over the entire surface area of the liquid in the vessel; each cover opening shall be secured in a closed sealed position except when certain activities are ongoing; and that each storage vessel thief hatch shall be equipped, maintained, and operated with a weighted mechanism or equivalent, to ensure the lid remains properly seated.

23. The closed vent system requirements at 40 C.F.R. § 60.5411(c) require that the closed vent system is designed to route all gases, vapors, and fumes emitted from the material in the storage vessel to a control device that meets the requirements of 40 C.F.R. § 60.5412(c) and (d); and to design and operate a closed vent system with no detectable emissions, as determined using olfactory, visual, and auditory inspections.

NSPS Subpart OOOOa

24. In 2016, EPA promulgated additional NSPS regulations for the crude oil and natural gas production, transmission, and distribution industry sector, which were codified at Subpart OOOOa. 81 Fed Reg. 35,898 (June 3, 2016).

25. Subpart OOOOa establishes emission standards for the control of VOC, sulfur dioxide emissions, and greenhouse gas emissions in the form of methane from various types of oil and natural gas production, processing, transmission, storage, and distribution equipment constructed, modified, or reconstructed after September 18, 2015, including storage vessels.

26. Subpart OOOOa, at 40 C.F.R. § 60.5430a, defines "storage vessel" as a tank or other vessel that contains an accumulation of crude oil, condensate, intermediate hydrocarbon liquids, or produced water, and that is constructed primarily of non-earthen materials (such as wood, concrete, steel, fiberglass, or plastic) which provide structural support.

27. A storage vessel is an affected facility subject to Subpart OOOOa requirements if construction, modification, or reconstruction of the storage vessel was commenced after September 18, 2015, and if a properly performed emission determination indicates that the storage vessel has the potential for VOC emissions equal to or greater than six (6) tons per year. *See* 40 C.F.R. § 60.5365a(e). A storage vessel meeting these criteria is defined as a "storage vessel affected facility."

28. A storage vessel affected facility that subsequently has its potential for VOC emissions decrease to less than six (6) tons per year shall remain an affected facility under Subpart OOOOa. *See* 40 C.F.R. § 60.5365a(e)(2).

29. The potential for VOC emissions from a storage vessel must be calculated using a generally accepted model or calculation methodology, based on the maximum average daily throughput determined for a 30-day period of production prior to August 2, 2016, or within 60 days after startup (whichever was later). *See* 40 C.F.R. §§ 60.5365a(e), 60.5410a(h)(1).

30. In calculating the potential VOC emissions from a storage vessel, the determination may take into account requirements under a legally and practically enforceable limit in an operating permit or other requirement established under a federal, state, local or tribal authority. *See* 40 C.F.R. § 60.5365a(e).

31. Subpart OOOOa requires the owner/operator of a storage vessel affected facility generally either (i) to reduce VOC emissions by 95.0 percent within 60 days after startup; or (ii) after 12 consecutive months of reducing VOC emissions by 95.0 percent, to maintain the uncontrolled actual VOC emissions from the storage vessel affected facility at less than four (4) tons per year without considering control. *See* 40 C.F.R. § 60.5395a(a)(2)-(3).

32. Subpart OOOOa, at 40 C.F.R. § 60.5415a(e), provides that the owner/operator using a control device or routing emissions to a process for a storage vessel affected facility must meet the following requirements to demonstrate continuous compliance with 40 C.F.R. § 60.5395a(a)(2):

a. For each storage vessel affected facility, the owner/operator must reduce VOC emissions as specified in 40 C.F.R. § 60.5395a(a)(2) (i.e. by 95.0 percent within 60 days after startup); and

b. For each control device installed to meet the requirements of 40 C.F.R. § 60.5395a(a)(2), the owner/operator must demonstrate continuous compliance with the performance requirements of 40 C.F.R. § 60.5412a(d) for each storage vessel affected facility by: (i) complying with 40 C.F.R. § 60.5416a(c) for each cover and closed vent system; and either (ii) complying with 40 C.F.R. § 60.5417a(h) for each control device; or (iii) operating each closed vent system that routes emissions to a process unit as specified in 40 C.F.R. § 60.5411a(c)(2) and (3).

33. If the original emission determination for a storage vessel excluded storage vessel vapor that would be recovered and routed to a process through a vapor recovery unit, the owner or operator must make a new emission determination calculating the storage vessel's potential for VOC emissions within 30 days if: (i) the storage vessel is operated without meeting the cover requirements specified in 40 C.F.R. § 60.5411a(b); (ii) the storage vessel is operated without meeting the closed vent system requirements specified in 40 C.F.R. § 60.5411a(c) and (d); or (iii) the vapor recovery unit is removed. *See* 40 C.F.R. § 60.5365a(e)(3).

34. The cover requirements at 40 C.F.R. § 60.5411a(b) require that covers on storage vessels meet certain requirements, including that the cover and all openings on the cover shall form a continuous impermeable barrier over the entire surface area of the liquid in the vessel; each cover opening shall be secured in a closed, sealed position except when certain activities are ongoing; and that each storage vessel thief hatch shall be equipped, maintained, and operated with a weighted mechanism or equivalent, to ensure the lid remains properly seated and sealed under normal operating conditions.

35. The closed vent system requirements at 40 C.F.R. § 60.5411a(c) require that the closed vent system is designed to route all gases, vapors, and fumes emitted from the material in the storage vessel to a control device that meets the requirements of 40 C.F.R. § 60.5412a(c) and (d); and to design and operate a closed vent system with no detectable emissions, as determined using olfactory, visual, and auditory inspections.

36. The closed vent system requirements at 40 C.F.R. § 60.5411a(d) require the owner/operator to conduct an assessment that the closed system is of sufficient design and capacity to ensure that all emissions from the storage vessel are routed to the control device and that the control device is of sufficient design and capacity to accommodate all emissions from the affected facility and have it certified by a qualified professional engineer in accordance with 40 C.F.R. § 5411a(d)(1)(i) and (ii).

37. Each control device used to comply with the emission reduction standard in 40 C.F.R. § 60.5395a(a)(2) for a storage vessel affected facility must be installed in accordance with 40 C.F.R. § 60.5412a(d)(1) through (4), as applicable. As an alternative to 40 C.F.R. § 60.5412a(d)(1), the owner/operator may install a control device model tested under 40 C.F.R. § 60.5413a(d), which meets the criteria in 40 C.F.R. § 60.5413a(d)(11) and meets the continuous compliance requirements in 40 C.F.R. § 60.5413a(e). *See* 40 C.F.R. § 60.5412a(d).

38. Subpart OOOOa, at 40 C.F.R. § 60.5412a(d)(1)(iii), provides that, for each combustion control device, the owner/operator must operate the device with no visible emissions, except for periods not to exceed a total of 1 minute during any 15-minute period. A visible emissions test conducted according to section 11 of EPA Method 22 of appendix A-7 of Subpart OOOOa must be performed at least once every calendar month, separated by at least 15 days between each test. The observation period of the visible emissions test shall be 15 minutes.

39. For each control device used to comply with the emission reduction standard in 40 C.F.R. § 60.5395a(a)(2) for a storage vessel affected facility, the owner/operator must demonstrate continuous compliance according to 40 C.F.R. § 60.5417a(h)(1) through (h)(4). *See* 40 C.F.R. § 60.5417a(h). The owner/operator is exempt from the requirements of 40 C.F.R. § 60.5417a(h) if the owner/operator installs a control device model tested in accordance with 40 C.F.R. § 60.5413a(d)(2) through (10), which

meets the criteria in 40 C.F.R. § 60.5413a(d)(11), the reporting requirement in 40 C.F.R. § 60.5413a(d)(12), and the continuous compliance requirement in 40 C.F.R. § 60.5413a(e).

40. Combustion control devices tested by the manufacturer in accordance with 40 C.F.R. § 60.5413a(d) must be operated with no visible emissions, except for periods not to exceed a total of 1 minute during any 15-minute period. A visible emissions test conducted according to section 11 of EPA Method 22 of appendix A-7 of Subpart OOOOa must be performed at least once every calendar month, separated by at least 15 days between each test. The observation period shall be 15 minutes. *See* 40 C.F.R. § 60.5413a(e)(3).

41. A deviation for a given control device is determined to have occurred when the monitoring data or lack of monitoring data result in any one of the criteria specified in 40 C.F.R. § 60.5417a(g)(1) through (6) being met. If the owner/operator monitors multiple operating parameters for the same control device during the same operating day and more than one of these operating parameters meets a deviation criterion specified in paragraphs 40 C.F.R. § 60.5417a(g)(1) through (6), then a single excursion is determined to have occurred for the control device for that operating day. *See* 40 C.F.R. § 60.5417a(g).

42. Subpart OOOOa, at 40 C.F.R. § 60.5430a, defines "fugitive emissions component" as any component that has the potential to emit fugitive emissions of VOC at a well site, including but not limited to valves, connectors, pressure relief devices, open-ended lines, flanges, covers and closed vent systems not subject to 40 C.F.R. § 60.5411a, thief hatches or other openings on a controlled storage vessel not subject to 40 C.F.R. § 5395a, compressors, instruments, and meters. Emissions originating from other than the vent, such as the thief hatch on a controlled storage vessel, would be considered fugitive emissions.

43. Subpart OOOOa, at 40 C.F.R. § 60.5430a, defines a "well site" as one or more surface sites that are constructed for the drilling and subsequent operation of any oil well, natural gas well, or injection well. For purposes of the fugitive emissions standards at 40 C.F.R. § 60.5397a, a well site also means a separate tank battery surface site collecting crude oil, condensate, intermediate hydrocarbon liquids, or produced water from wells not located at the well site (e.g. centralized tank batteries).

44. Subpart OOOOa, at 40 C.F.R. § 60.5365a(i), provides that the collection of fugitive emissions components at a well site, as defined in 40 C.F.R. § 60.5430a, is an affected facility, except as provided in 40 C.F.R. § 60.5365a(i)(2) (i.e. a well site that only contains one or more wellheads).

45. Subpart OOOOa, at 40 C.F.R. § 60.5415a(h), provides that, for each collection of fugitive emissions components at a well site, the owner/operator must demonstrate continuous compliance with the fugitive emission standards in 40 C.F.R. § 60.5397a according to the following requirements: (i) the owner/operator must conduct periodic monitoring surveys as required in 40 C.F.R. § 60.5397a(g); (ii) the owner/operator must repair or replace each identified source of fugitive emissions as required in 40 C.F.R. § 60.5397a(h); (iii) the owner/operator must maintain records as specified in 40 C.F.R. § 60.5420a(c)(15); and (iv) the owner/operator must submit annual reports for the collection of fugitive emissions components at a well site as required in 40 C.F.R. § 60.5420a(b)(1) and (7).

46. Subpart OOOOa, at 40 C.F.R. § 60.5397a(h), provides that each identified source of fugitive emissions shall be repaired or replaced in accordance with 40 C.F.R. § 60.5397a(h)(1) and (2). For fugitive emissions components also subject to the repair provisions of 40 C.F.R. § 60.5416a(b)(9)

through (12) and (c)(4) through (7), those provisions apply instead to those closed vent systems and covers, and the repair provisions of 40 C.F.R. § 60.5397a(h)(1) and (2) do not apply to those closed vent systems and covers.

Northwest Gas Processing, LLC (NWGP) Permit to Construct

47. Idaho Department of Environmental Quality ("DEQ") issued a Permit to Construct, PTC No. P-2013.0059 Project 61908, on October 27, 2017 (2017 NWGP PTC) for the Northwest Gas Processing Facility. The 2017 NWGP PTC was issued to Northwest Gas Processing, LLC (NWGP). The 2017 NWGP PTC is a modification of and replaces the previous permit identified as PTC No. P-2013.0059 that was issued on April 10, 2015.

48. The 2017 NWGP PTC, at Condition 2.8, provides the facility shall be equipped with a vapor recovery unit system designed to collect the total organic compound vapors displaced from tank trucks during product loading and from the condensate storage tanks.

49. The 2017 NWGP PTC, at Condition 2.61, provides that, in accordance with 40 C.F.R. § 60.482-10a(d), flares used to comply with 40 C.F.R. Part 60, Subpart VVa shall comply with the requirements of 40 C.F.R. § 60.18.

Little Willow Road Gathering Station Permit to Construct

50. Idaho DEQ issued a Permit to Construct, PTC No. P-2015.0015 Project 61636, on February 22, 2016 ("2016 Little Willow PTC") for Little Willow Gathering Station. The 2016 Little Willow PTC was issued to Alta Mesa Services, LP ("Alta Mesa Services"). The 2016 Little Willow PTC is a modification of and replaces the previous permit identified as PTC No. P-2015.0015 that was issued on November 18, 2015.

51. On February 5, 2020, Idaho DEQ issued a Permit to Construct, PTC No. P-2015.0015 Project 62372 for the Little Willow Gathering Station ("2020 Little Willow PTC"). The 2020 Little Willow PTC was issued to Snake River Oil and Gas, LLC ("Snake River"). The 2020 Little Willow PTC reflects the transfer of ownership of the Little Willow Gathering Station from Alta Mesa Services to Snake River and replaces the 2016 Little Willow PTC.

52. The 2020 Little Willow PTC, at Condition 2.6, provides the facility shall be equipped to collect the total organic compound vapors displaced from tank trucks during loading and from the oil tanks.

Relevant Factual Background

53. Snake River is incorporated in the State of Idaho and was authorized to do business in the State of Idaho during the time period relevant to the violations of Subparts OOOO and OOOOa and the 2020 Little Willow PTC described below.

54. NWGP is incorporated in the State of Delaware and does business in the State of Idaho.

55. Idaho Midstream, LLC ("Idaho Midstream") is incorporated in the State of Arkansas. On or about January 13, 2020, Idaho Midstream was designated as the managing member and tax partner of

NWGP, thereby assuming supervision of compliance with federal and state environmental laws at the Northwest Gas Processing Facility.

56. Snake River and Idaho Midstream are each a "person" within the meaning of Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

57. During the time period relevant to the violations of Subparts OOOO and OOOOa and the 2020 Little Willow PTC described below, Snake River owned or operated the Little Willow Road Gathering Station located at 4649 Little Willow Road, New Plymouth, Idaho (Little Willow Station).

58. During the time period relevant to the violations of Subpart OOOO and the 2017 NWGP PTC described below, Idaho Midstream owned or operated the Northwest Gas Processing Facility located at 4303 Highway 30 South, New Plymouth, Idaho (NWGP Facility).

59. During the time period relevant to the violations of Subparts OOOO and OOOOa and the 2020 Little Willow PTC and 2017 NWGP PTC described below, Snake River owned and operated several oil and natural gas well pads in Adams County in Idaho. Production fluids collected at the well pads are transferred to the Little Willow Station, where gas, oil, and water are separated.

60. The Little Willow Station was issued the 2020 Little Willow PTC on February 5, 2020 to reflect the transfer of ownership of the Little Willow Station from Alta Mesa Services to Snake River and replaces the 2016 Little Willow PTC.

61. The NWGP Facility was issued the 2017 NWGP PTC on October 27, 2017, for modifications to equipment at the facility.

62. On July 10-11, 2018, EPA staff inspected and observed the Little Willow Station and NWGP Facility.

63. The NWGP Facility includes storage vessels that contain an accumulation of condensate, and that are constructed primarily of non-earthen materials.

64. The Little Willow Station includes storage vessels that contain an accumulation of crude oil and produced water, and that are constructed primarily of non-earthen materials. In addition, the Little Willow Station is a separate tank battery surface site collecting crude oil and produced water from wells not located at Little Willow Station.

65. The storage vessels at the NWGP Facility were all constructed after April 12, 2013 but before September 18, 2015.

66. The storage vessels at Little Willow Station were either constructed (i) between August 23, 2011 and on or before September 18, 2015; or (ii) after September 18, 2015.

67. The storage vessels at the NWGP Facility and Little Willow Station all had the potential for VOC emissions equal to or greater than six (6) tons per year for a 30-day period of production prior to the applicable emission determination deadline as specified in Subparts OOOO and OOOOa.

68. On information and belief, the vapor recovery unit is not designed to collect the total organic compound vapor from storage vessels at the NWGP Facility.

69. On information and belief, the vapor combustor is not designed to collect the total organic compound vapors from the storage vessels at the Little Willow Station.

70. The 2017 NWGP PTC issued for the NWGP Facility and the 2020 Little Willow PTC issued for Little Willow Station include no legally and practically enforceable voluntary limits to restrict the potential VOC emissions from each storage vessel to less than six (6) tons per year.

71. During the July 2018 inspection, EPA inspectors detected emissions from pressure relief devices on nine of ten storage vessels at the NWGP Facility. EPA inspectors also detected emissions at a check valve located on the closed vent system used to route emissions from the storage vessels at the NWGP Facility.

72. During the July 2018 inspection, at the NWGP Facility, EPA inspectors observed large quantities of uncombusted hydrocarbon emissions leaving the flare. EPA inspectors requested information regarding operation of the flare, including a description of operations at the on-site flares, the net heating value of vent gas being sent to the flare, and the hydrogen content and exit velocity of the gas stream for the time period of the July 2018 inspection. EPA never received this information.

73. During the July 2018 inspection, EPA inspectors detected emissions from pressure relief devices on six produced water storage vessels and one oil storage vessel at the Little Willow Station.

74. Records of optical gas imaging inspections for Little Willow Station's produced water tanks and crude oil tank from June 25, 2018 were collected by EPA inspectors as part of the July 2018 inspection. The inspection records show that each of the pressure relief devices were found leaking on June 25, 2018. The inspection records also show that the pressure relief devices were not resurveyed in accordance with EPA Method 21.

75. On January 17, 2020, Snake River submitted optical gas imaging inspection results at Little Willow Station's produced water tanks and crude oil tanks. Thief hatches at the facility's storage vessels were found to be leaking in the two quarters in 2018 following the inspection and in the first two quarters of 2019.

76. During the July 2018 inspection, EPA inspectors observed visible emissions from the vapor combustor used to control emissions from the six oil storage vessels at the Little Willow Station. Visible emissions were observed for at least three minutes and over the duration of the site visit.

77. On information and belief, since EPA's July 2018 inspection, neither Idaho Midstream nor any previous owner has made changes at the NWGP Facility to address the design and operation issues observed by the EPA inspectors.

78. On information and belief, since EPA's July 2018 inspection, neither Snake River nor any previous owner has made changes at the Little Willow Station to address the design and operation issues observed by the EPA inspectors.

Little Willow Violations

79. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Snake River and previous owners or operators, Snake River has not maintained continuous compliance with the Subparts OOOO and OOOOa emission control requirements applicable to each storage vessel at the Little Willow Station, including cover and closed vent system design and operation requirements. Snake River has thereby violated and continues to violate requirements of 40 C.F.R. §§ 60.5395(c) and (e), 60.5411(b) and (c); 40 C.F.R. §§ 60.5395a(b) and (e), 60.5411a(b) and (c); and Section 111 of the CAA, 42 U.S.C. § 7411.

80. Snake River's storage vessels at the Little Willow Station are affected facilities under Subparts OOOO and OOOOa, and based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Snake River and previous owners or operators, Snake River has failed to ensure that the covers on its storage vessels meet certain requirements, including that the covers and all openings shall form a continuous impermeable barrier over the entire surface area of the liquid in the vessel, and that each cover opening shall be secured in a closed, sealed position except when certain activities are ongoing. Snake River has thereby violated and continues to violate the requirements of 40 C.F.R. §§ 60.5411(b) and 60.5411a(b) and Section 111 of the CAA, 42 U.S.C. § 7411.

81. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Snake River and previous owners or operators, Snake River has failed to design its closed vent systems to route all gases, vapors, and fumes emitted from the material in the storage vessels to a control device, and to design and operate closed vent systems with no detectable emissions, as determined using olfactory, visual, and auditory inspections. Snake River has thereby violated and continues to violate the requirements of 40 C.F.R. §§ 60.5411(c) and 60.5411a(c) and Section 111 of the CAA, 42 U.S.C. § 7411.

82. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Snake River and previous owners or operators, Snake River has failed to design its vapor combustor system to collect the total organic compound vapors displaced from the oil storage tanks. Snake River has thereby violated and continues to violate the requirements of 2020 Little Willow PTC Condition 2.6.

83. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Snake River and previous owners or operators, Snake River's oil storage vessels at the Little Willow Station are subject to Subpart OOOOa, and based on Snake River's failure to operate its combustion control devices with no visible emissions, Snake River has violated and continues to violate 40 C.F.R. § 60.5412a(d)(1)(iii) or 40 C.F.R. § 60.5417a(h) and 40 C.F.R. § 60.5413a(e)(3).

NWGP Facility Violations

84. Idaho Midstream has not performed monthly Subpart OOOO inspections of each storage vessel affected facility's cover and closed vent system at the NWGP Facility. Idaho Midstream has thereby violated and continues to violate the requirements of 40 C.F.R. § 60.5416(c) and Section 111 of the CAA, 42 U.S.C. § 7411.

85. If the original emission determination for the storage vessel excluded storage vessel vapor that would be recovered and routed to a process through a vapor recovery unit, then Idaho Midstream's failure to maintain required records violated the requirements of 40 C.F.R. § 60.5365(e)(3)(iii) and Section 111 of the CAA, 42 U.S.C. § 7411.

86. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Idaho Midstream and previous owners or operators, Idaho Midstream has not maintained continuous compliance with the Subpart OOOO emission control requirements applicable to each storage vessel at the NWGP Facility, including cover and closed vent system design and operation requirements. Idaho Midstream has thereby violated and continues to violate the requirements of 40 C.F.R. §§ 60.5395(c) and (e), 60.5411(b) and (c), and Section 111 of the CAA, 42 U.S.C. § 7411.

87. Idaho Midstream's storage vessels at the NWGP Facility are affected facilities under Subpart OOOO, and based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Idaho Midstream and previous owners or operators, Idaho Midstream has failed to ensure that the covers on its storage vessels meet certain requirements, including that the covers and all openings shall form a continuous impermeable barrier over the entire surface area of the liquid in the vessel, and that each cover opening shall be secured in a closed, sealed position except when certain activities are ongoing. Idaho Midstream has thereby violated and continues to violate the requirements of 40 C.F.R. § 60.5411(b) and Section 111 of the CAA, 42 U.S.C. § 7411.

88. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Idaho Midstream and previous owners or operators, Idaho Midstream has failed to design its closed vent systems to route all gases, vapors, and fumes emitted from the material in the storage vessels to a control device, and to design and operate closed vent systems with no detectable emissions, as determined using olfactory, visual, and auditory inspections. Idaho Midstream has thereby violated and continues to violate the requirements of 40 C.F.R. § 60.5411(c) and Section 111 of the CAA, 42 U.S.C. § 7411.

89. Based on the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Idaho Midstream and previous owners or operators, Idaho Midstream has failed to design its vapor recovery unit system to collect the total organic compound vapors displaced from the condensate storage tanks. Idaho Midstream has thereby violated and continues to violate the requirements of 2017 NWGP PTC Condition 2.8.

90. Based on, among other things, Idaho Midstream's failure to meet certain cover, closed vent and control device requirements, demonstrated by the above described detectable emissions from storage vessels observed by EPA staff and left unaddressed by Idaho Midstream and previous owners or operators, Idaho Midstream has failed to demonstrate initial compliance at the storage vessel affected facilities at the NWGP Facility. Idaho Midstream has thereby violated and continues to violate the requirements of 40 C.F.R. § 60.5410(h) and Section 111 of the CAA, 42 U.S.C. § 7411.

Environmental Impact of Violations

91. These violations have caused or can cause excess emissions of VOC and methane.

92. Excess VOC emissions can cause eye, nose, and throat irritation, headaches, loss of coordination, nausea and damage to liver, kidney and the central nervous system.

93. VOC emissions are a precursor to ground-level ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue.

94. Methane is a potent greenhouse gas, and emissions of methane contribute to climate change.

LAURIS DAVIES

Digitally signed by LAURIS DAVIES
Date: 2020.05.20 09:58:12 -07'00'

Date

Lauris C. Davies
Acting Director
Enforcement and Compliance Assurance Division